

TSX:ADCO | OTCQX:ADCOF

Adcore's Q1 2024 Earning call



May,
2024

ADCORE

Hosts



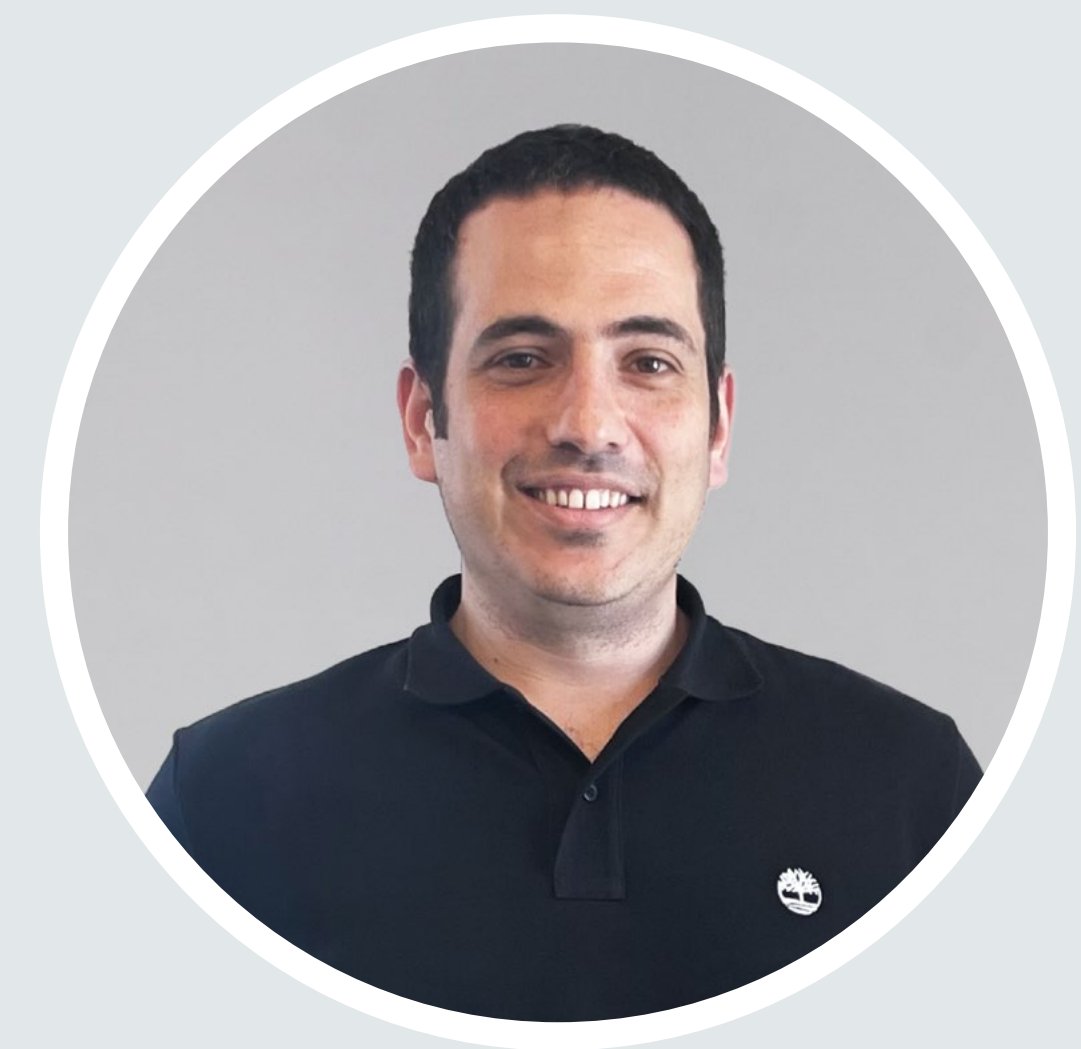
Nick Campbell

Investor Relations



Omri Brill

CEO



Amit Konforty

CFO

Adcore's Q1 2024 Earning call | May 2024

Agenda

- Forward Looking Statements
- CEO Opening Remarks
- CFO Financial Highlights
- Q&A

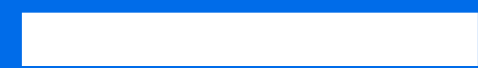
Forward Looking Statements and Information

This conference call contains certain forward-looking information and forward-looking statements (collectively “forward-looking information”), including statements about the Company. Forward-looking information may relate to the Company’s financial outlook and guidance (including revenue, gross profit, gross margin and Adjusted EBITDA), and anticipated events or results and may include information regarding the Company’s financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding the Company’s expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates, the achievement of advances in and expansion of the Company’s technologies and platforms, expectations regarding the Company’s revenue, gross margins and future profitability, the future impact of the COVID-19 pandemic and the Russian invasion of Ukraine and reactions thereto, is forward-looking information. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or “potential” or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements and forward-looking information. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Such risks include the factors discussed under the “Risk and Uncertainties” section in the Company’s quarterly and annual MD&A’s. Other factors that could cause actual results or events to differ materially include, but are not limited to, loss of major clients, inability to acquire new clients, significant changes to policies and guidelines of media partners and any significant change to the global business environment and/or in specific territories in which the Company operates. These factors should be considered carefully and listeners and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this call and financial results press release are based upon what management believes to be reasonable assumptions, the Company cannot assure listeners and readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this conference call, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Adcore's Q1 2024 Earning call | May 2024

CEO Opening Remarks

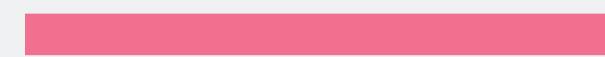


Q1 2024 Report Highlights

Operational Efficiency Boosts
Gross Profit and Margins

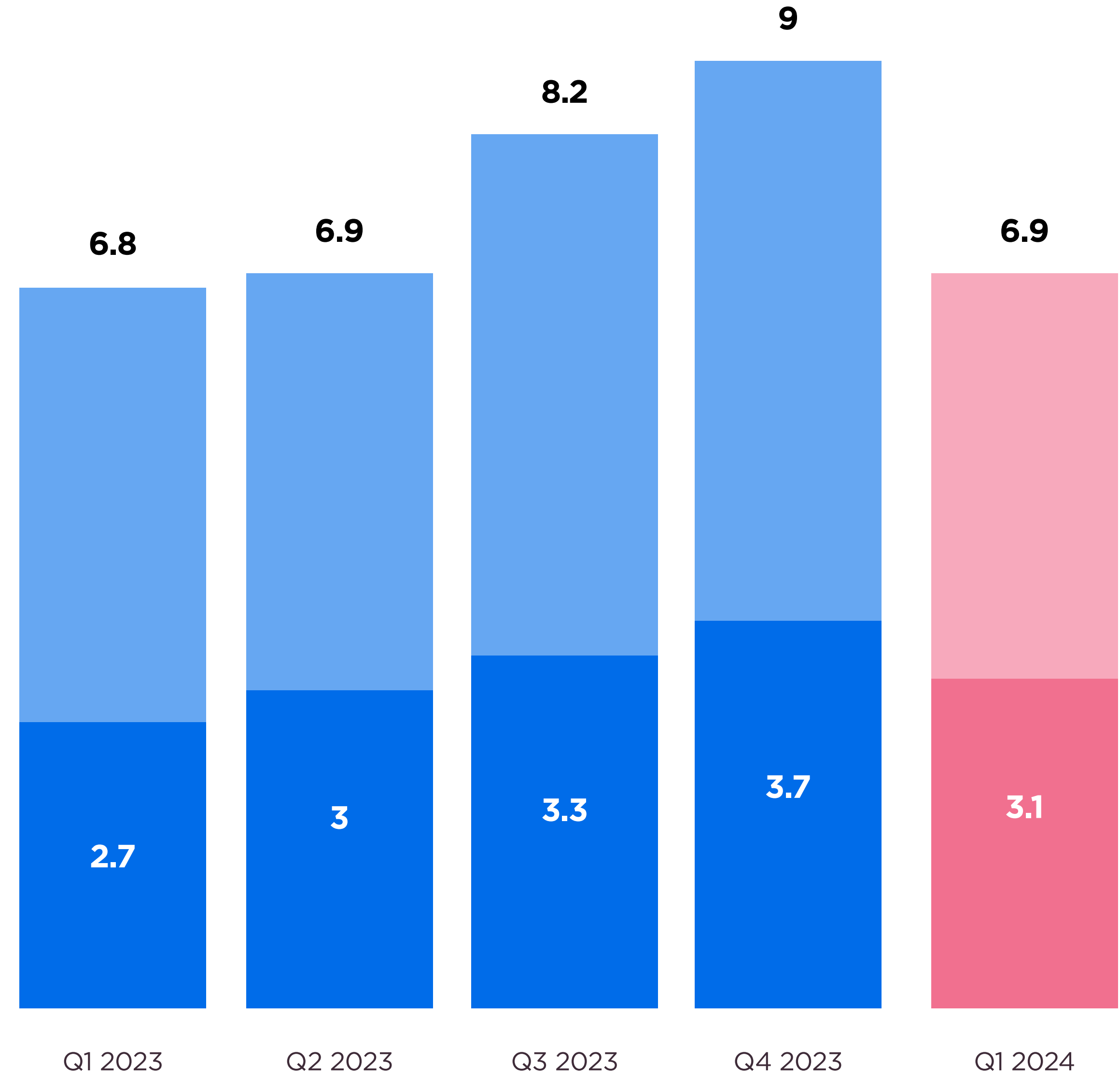


Quarterly Revenue



CAD in million

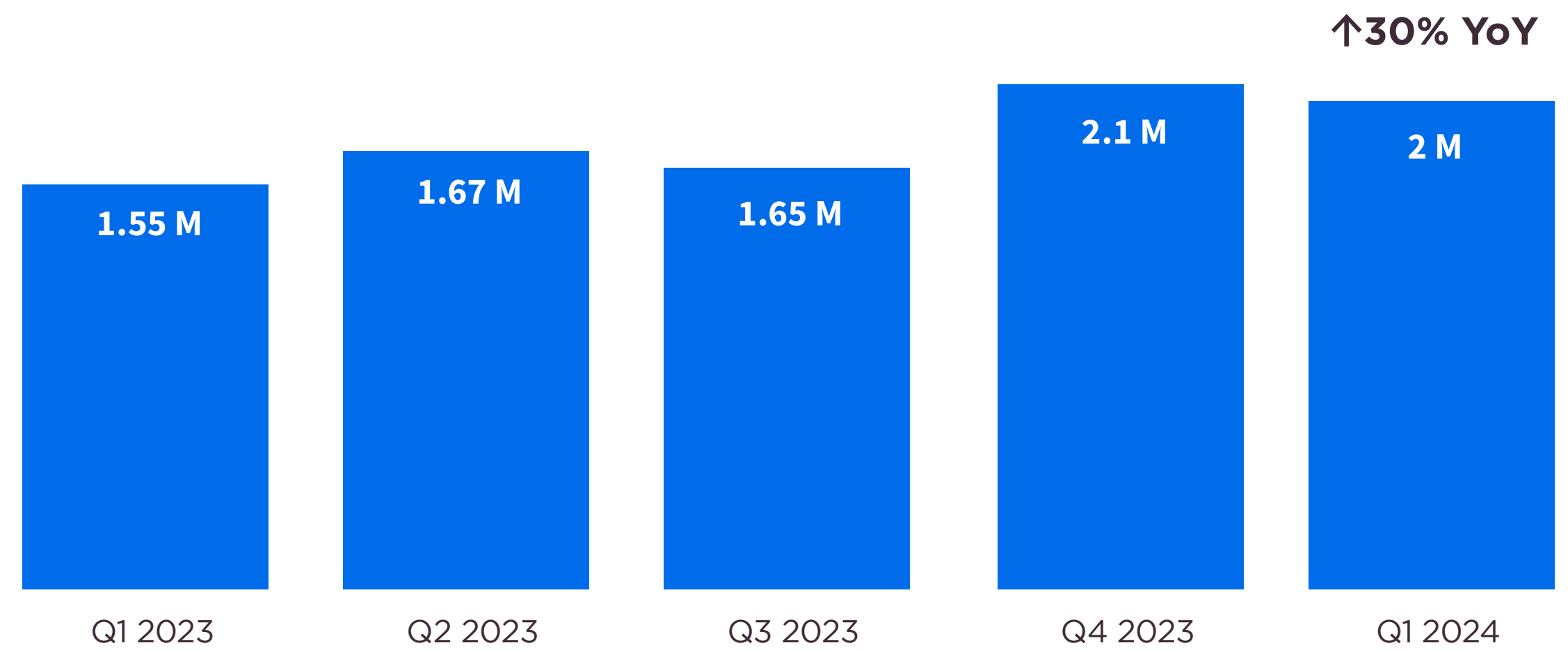
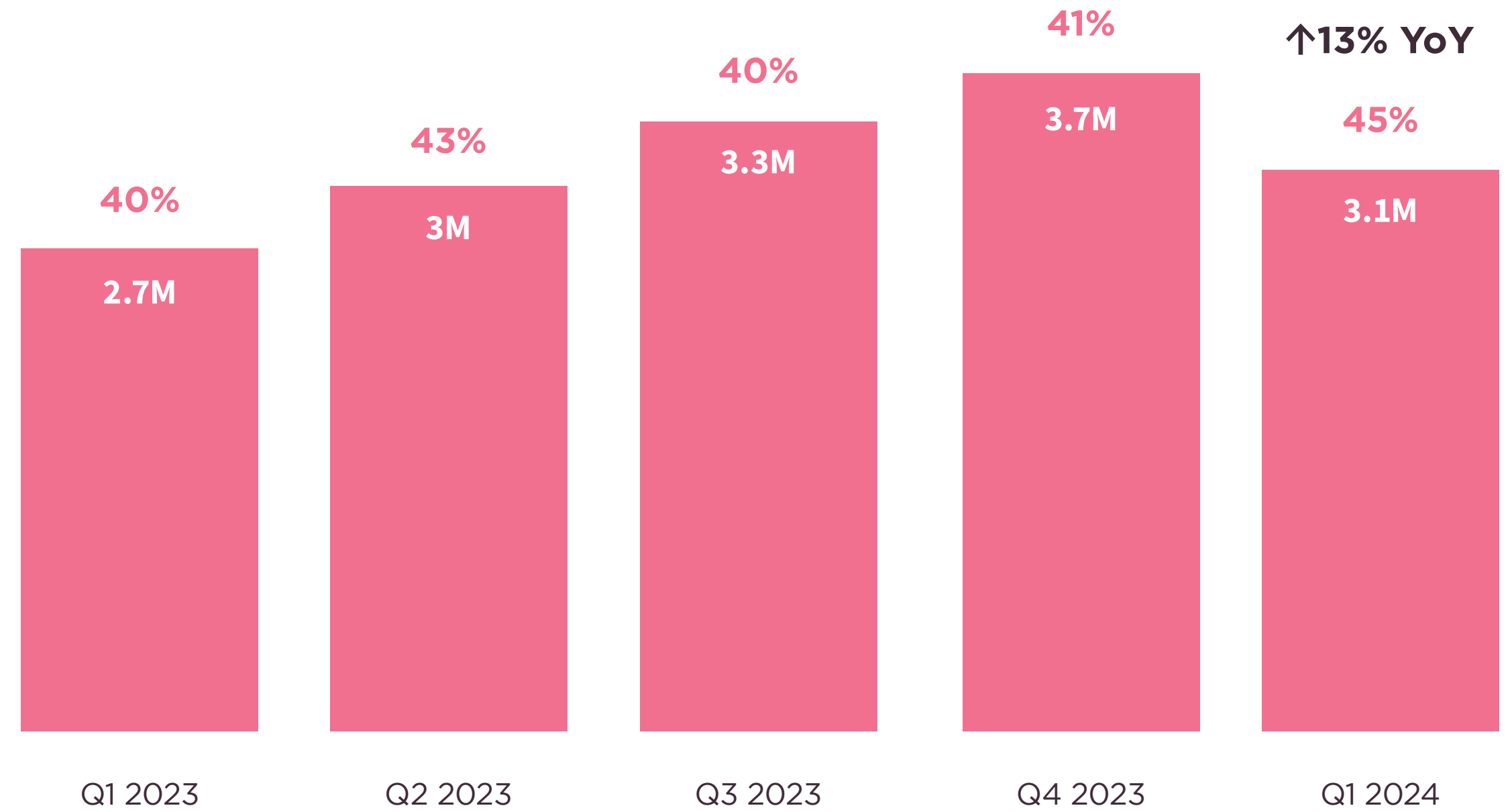
■ Quarterly Revenue (↑1% YoY)
■ Gross Profit (↑13% YoY)



Quality Growth KPIs

CAD in millions

- Gross margin
- North America revenue



Earnings Report Highlights

Q1 2024 highlights

- **Gross Profit Growth:** Gross profit rose by 13% year-over-year (YoY)
- **Increase in Gross Margins:** Gross margins improved from 40% to 45% YoY.
- **Strong Revenue Growth in North America:** Increased by 30% YoY.
- **Significant EBITDA Improvement:** Adjusted EBITDA grew substantially by 196% YoY.
- **Positive Shift in Cash Flow:** Net cash flow from operating activities improved by CAD \$1M YoY.
- **Decrease in Client Concentration:** Top clients' concentration decreased significantly from 56% to 42%.

2024 Targets

1



Maintain a strong balance sheet with a focus on increasing cash reserves.

2



Keep the gross margin within the 40% to 50% range.

3



Achieve double-digit growth in revenue, gross profit and operating profit.

4



Expand both our marketing technology and marketing solution offerings.

Adcore 2024 Four Strategic Pillars

1

Technology
& AI

2

Enterprise &
Aggregators

3

Low Touch -
DIY

4

Synergy



Rebound in Stock Price

0.17c to - 0.235c	↑ 38%
3 months	↑ 27%
6 months	↑ 27%
12 months	↑ 0%

Adcore's Q1 2024 Earning call | May 2024

Comparable Companies

Significant share price upside opportunity as Adcore rises to peers:

\$0.245

Current share price
May 3rd, 2024

COMPANY NAME	TICKER	MARK CAP	ENTERPRISE VALUE (EV)	EV / GROSS PROFIT	EV / EBITDA (ADJ)
Fluent Inc	FLNT US	58	76	1.0	-1.6
Criteo SA	CRTO US	2,126	1,960	2.2	11.2
Evertz Technologies Ltd	ET TO	1,049	1,000	3.3	7.9
Inuvo Inc	INUV US	45	41	0.6	-5.4
Kinaxis Inc	KXS TO	4,239	3,900	14.4	89.5
Marin Software Inc	MRIN US	8	0	0.0	-0.0
Magnite Inc	MGNI US	1,267	1,550	7.4	13.4
PubMatic Inc	PUBM US	1,123	973	5.5	18.8
Integral Ad Science Holding Corp	IAS US	1,530	1,600	4.2	24.5
Illumin Holdings Inc	ILLM TO	83	32	0.5	-7.5
DoubleVerify Holdings Inc	DV US	3,245	3,000	6.2	22.9
Average				4.1	15.8
ADCORE	ADCO CA	14	6	0.5	12.7
			Upside	748%	24%

As of May 13, 2024. Currency in CAD. All numbers in millions

Adcore Share Purchases by the Company

	Quantity	Share Price	Value (CAD)
Q1/24 Company NCIB purchase	79,500	0.21	\$ 17,000
	Quantity	Share Price	Value (CAD)
Total accumulated NCIB purchases Including 04/24	1,969,500	0.26	\$ 520,759
Shares purchased from former executive officer	2,171,400	0.2	\$ 434,280
TOTAL PURCHASES	4,140,900		\$ 955,039

Social Responsibility

Provided over 800 pairs of bicycles and helmets for evacuated communities affected by October 7th events, **raised over 500,000 shekels**, aiming for 1 million to ensure project continuity, collaborated with Rosen and Mintz, Trek, and Israeli Cycling Federation, expanding community engagement Aiming to construct bike tracks in southern Kibbutzim, providing children with a safe space to practice and enjoy their new bikes.



There are currently over **100 amputee** soldiers. We are here to help them.



105 pairs of bikes and helmets donated to Kibbutz Mefalsim



110 pairs of bikes and helmets donated to Kibbutz Reim

Adcore's Q1 2024 Earning call | May 2024

CFO Financial Highlights



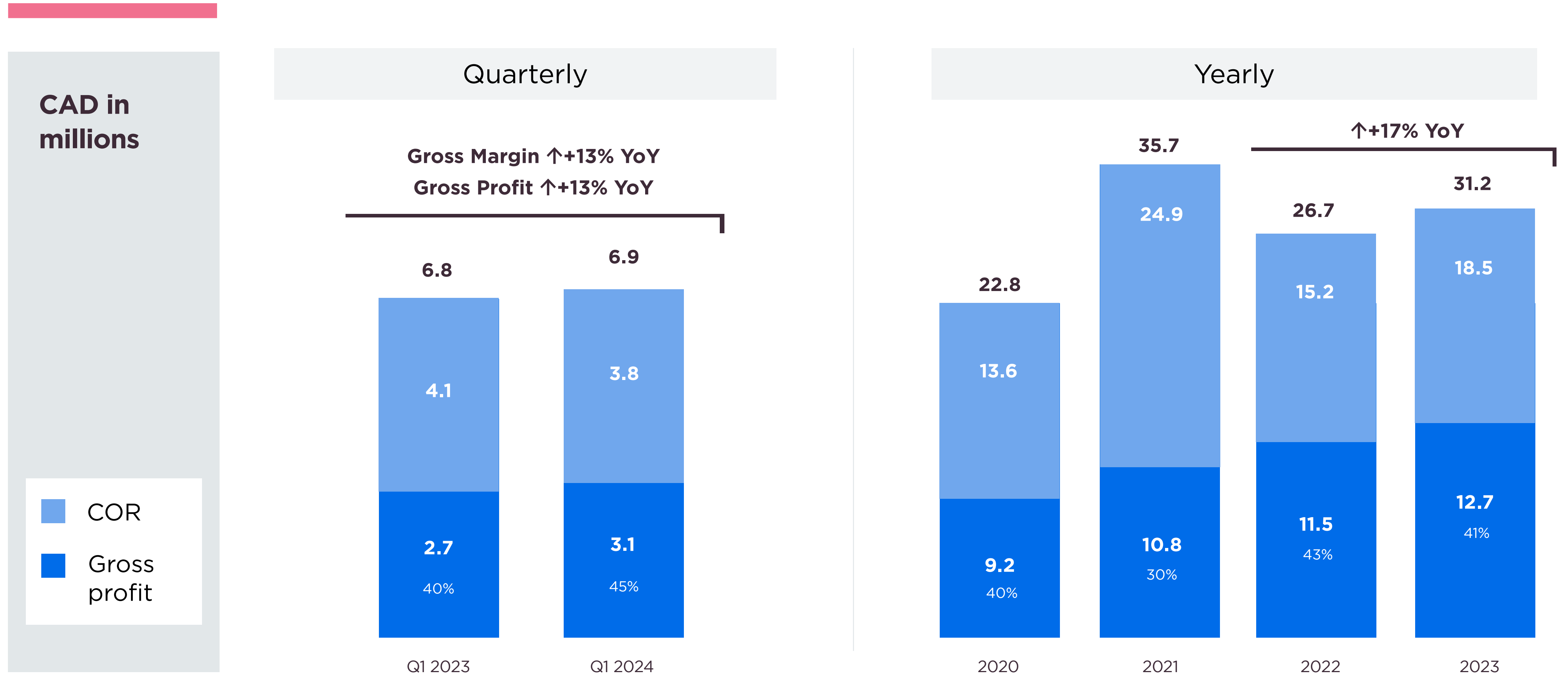
Comprehensive Income

1% growth in
Q1-24 vs. Q1-23
Revenues

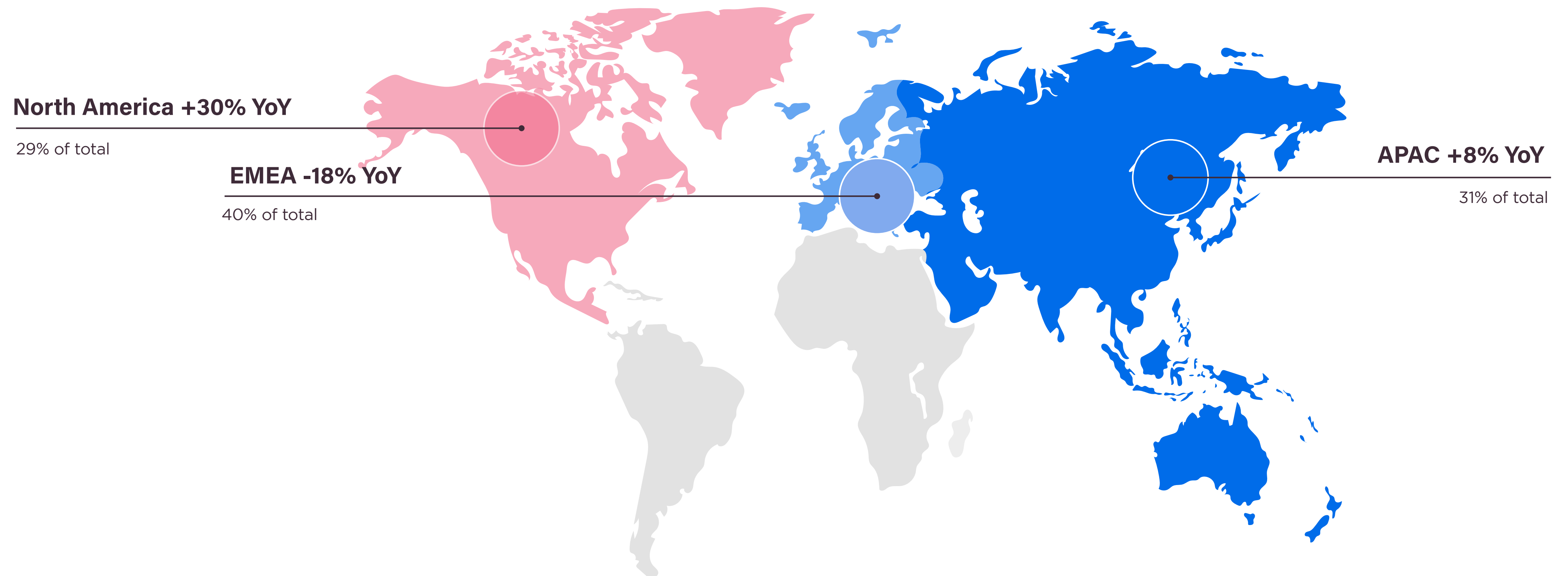
13% increase in
Q1-24 vs. Q1-23
Gross profit

CAD in million	Three months ended March 31, 2024	Three months ended March 31, 2023	YoY
Revenues	6.9	6.8	1%
Cost of revenues	3.8	4.1	
Gross profit	3.1	2.7	13%
RnD	0.6	0.4	
SG&A	2.7	2.6	
Operating profit	(0.2)	(0.3)	
Finance expenses	0.2	0.4	
Finance income	0.0	0.1	
Profit (loss) before taxes on income	(0.4)	(0.6)	
Tax expenses (income)	0.0	0.0	
Total Comprehensive Profit (Loss) for the period	(0.4)	(0.6)	

Total Revenues & Gross Profit

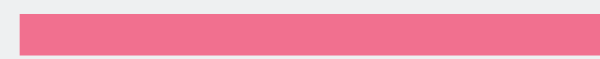


Q1 2024 Revenue Breakdown

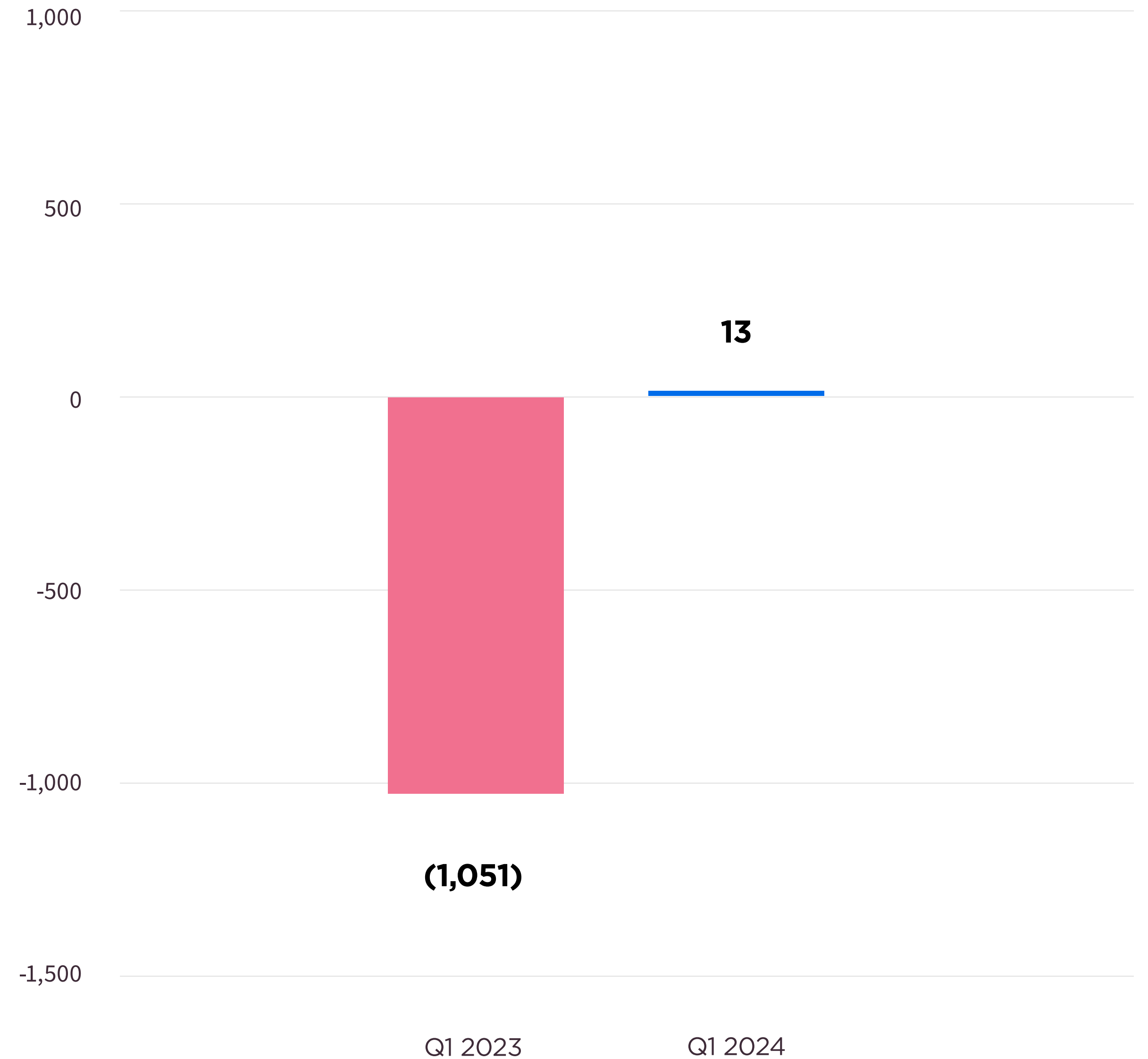


Adcore's Q1 2024 Earning call | May 2024

Net cash from (used in) operation activities



CAD in thousands



Financial Position - Assets

Total capitalization in the 3 months ended March 31,2024 was 0.25

CAD in million	31.03.24	31.12.23
CURRENT ASSETS		
Cash and cash equivalents	8.0	8.1
Trade accounts receivable, net	4.5	6.1
Other accounts receivable	0.5	0.5
Total current assets	13	14.7
NON-CURRENT ASSETS		
Property, plant and equipment, net	0.3	0.3
Intangible assets, net	4.1	4.1
Total non-current assets	4.4	4.4
TOTAL ASSETS	17.4	19.1

Financial Position - Liabilities

CAD in million	31.03.2024	31.12.2023
Debt free		
CURRENT LIABILITIES		
Trade accounts payable	4.2	5.0
Other accounts payable	1.4	2.2
Total current liabilities	5.6	7.2
NON-CURRENT LIABILITIES		
Deferred tax liability, net	0.2	0.2
Total Non-current liabilities	0.2	0.2
Total Equity	11.6	11.7
TOTAL LIABILITIES & EQUITY	17.4	19.1

Adjusted EBITDA

CAD in thousands	Three months ended March 31, 2024	Three months ended March 31, 2023
Operating profit (loss)	(168)	(245)
Depreciation and amortization	344	229
Share-based payments	25	84
Total Adjustments	369	313
Adjusted EBITDA	201	68

Adcore's Q1 2024 Earning call | May 2024

Q&A



TSX:ADCO | OTCQX:ADCOF

Thank You.

For more information visit adcore.com/investors

ADCORE